



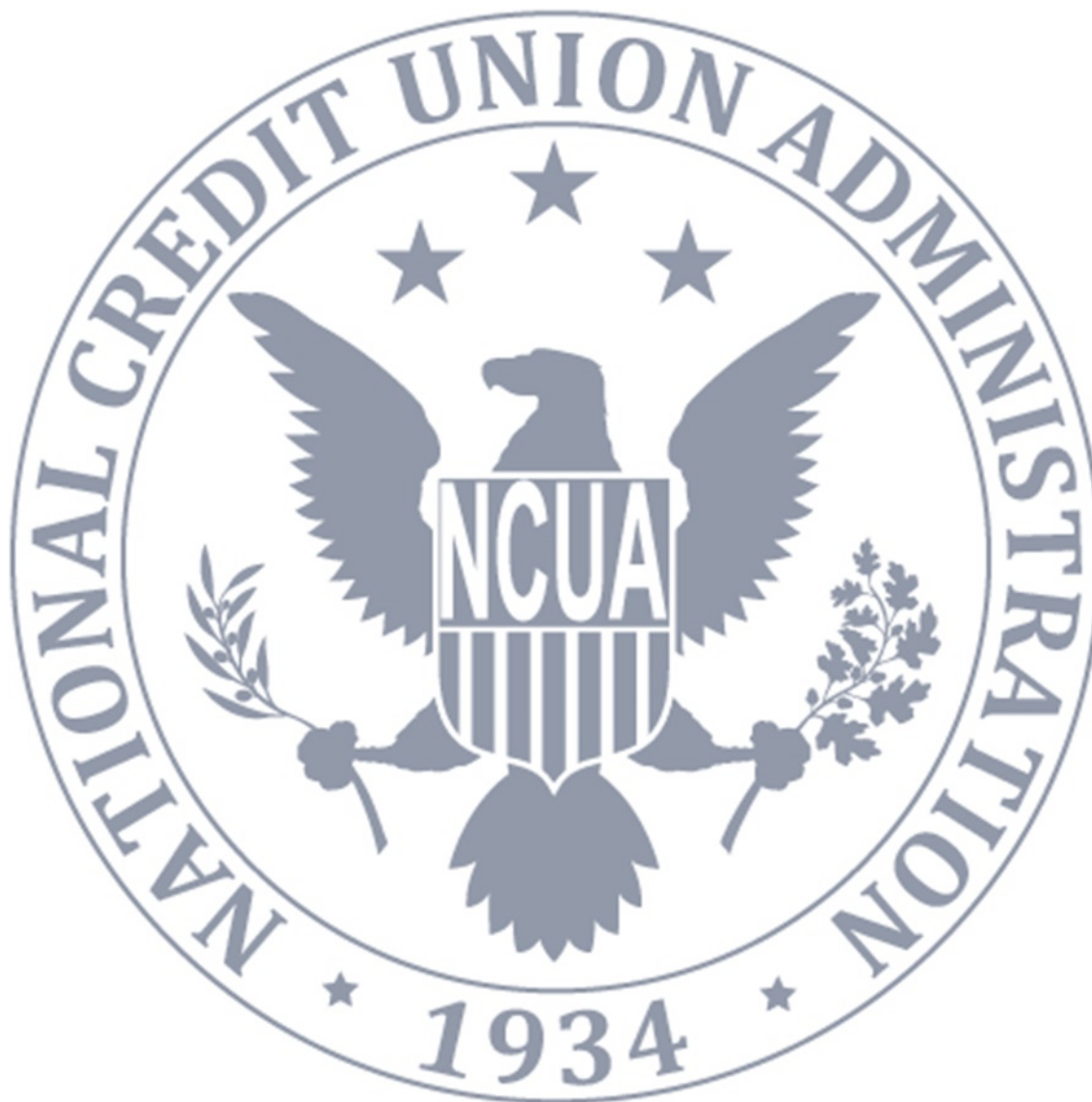
**NCUA**  
National Credit Union Administration

# 2023 Community Development Revolving Loan Fund Pilot Grant Round Application Guidelines

---



[This page intentionally left blank]





---

## Table of Contents

---

<b>CDRLF Pilot Objective.....</b>	<b>5</b>
<b>Critical Dates .....</b>	<b>5</b>
<b>General Eligibility and Administrative Requirements.....</b>	<b>6</b>
• Step 1: Low-Income Designation or MDI Certification.....	6
• Step 2: System for Award Management.....	6
<b>Structure of Pilot Awards.....</b>	<b>7</b>
<b>Pilot Initiatives .....</b>	<b>8</b>
• Impact Through Innovation.....	8
• Small Credit Union Partnership .....	11
<b>Performance Measurement .....</b>	<b>13</b>
<b>CDRLF Grant Project Budget Example.....</b>	<b>14</b>
<b>General Expense Guidelines.....</b>	<b>15</b>
• Expenses Not Allowed .....	16
<b>Application Review Process.....</b>	<b>17</b>
• Step 1: Program Eligibility .....	17
• Step 2: Project Objective, Budget, and Compliance Review.....	18
• Step 3: Application Ranking Order .....	22



• Step 4: Grant Amount Determination.....	22
<b>Terms and Conditions .....</b>	<b>22</b>
<b>Regulatory Guidance .....</b>	<b>24</b>
<b>Post-Award Requirements.....</b>	<b>25</b>
• Grant Agreement.....	25
• Payment and Performance Report.....	25
• Subsequent Obligations .....	25
• Extension Request .....	26
<b>Helpful Resources .....</b>	<b>26</b>
<b>Contact Information .....</b>	<b>26</b>



## CDRLF Pilot Objective

---

The Community Development Revolving Loan Fund (CDRLF) provides funding to help eligible credit unions provide affordable financial services to their members and to stimulate economic activities in their communities. The National Credit Union Administration (NCUA) administers the CDRLF, which is funded by congressional appropriations.

As part of the CDRLF technical assistance grants, the NCUA offers pilot grants to determine the feasibility of new or different funding initiatives through small-scale trials. This encourages new, exploratory, and developmental projects.

The 2023 CDRLF Pilot Grant Round will provide approximately \$450,000 to eligible credit unions through two pilot grant initiatives: Impact Through Innovation and Small Credit Union Partnership. These initiatives will provide resources to address challenges facing credit unions and their members, particularly members of modest means.

Credit unions may apply for funding under one pilot initiative only. If a credit union submits multiple applications, the NCUA will accept the first application received.

Details about the purpose, types of eligible projects, and application information for each initiative are in the Pilot Initiatives section of these Guidelines.

## Critical Dates<sup>1</sup>

---

**Immediately** – Complete the annual registration for the System of Award Management (SAM); this SAM registration is **required** to apply for a grant and may take **longer than four weeks to complete**. Register online at [www.sam.gov](http://www.sam.gov). More details about SAM are available in the General Eligibility and Administrative Requirements section.

**May 1, 2023** – The grant round will open at 9 a.m. Eastern. Applications will be available electronically through the [NCUA's Grants Management System](#).

**June 23, 2023** – This is the last day to contact the NCUA with inquiries regarding the grant round. All questions should be submitted by email to [CUREAPPS@ncua.gov](mailto:CUREAPPS@ncua.gov).

**June 30, 2023** – The grant round closes at 11:59 p.m. Eastern.

**October 31, 2023** – The NCUA will notify applicants and announce awards by email

---

<sup>1</sup> Dates are subject to change.



from [CUREAPPS@ncua.gov](mailto:CUREAPPS@ncua.gov) and through an official NCUA press release.

## General Eligibility and Administrative Requirements

---

This section contains general eligibility and administrative requirements applicable to all applicants. Initiative-specific eligibility requirements are stated under each initiative in the Pilot Initiatives section.

Applicants must complete the following two steps before registering in the [NCUA's Grants Management System](#) to submit an application. **The system will not recognize credit unions that have not completed both steps.**

### Step 1: Low-Income Designation or MDI Certification

---

A credit union applying for CDRLF funding must have a [low-income designation](#) or be certified as a [minority depository institution](#) (MDI) under the NCUA's regulations and policies at the time of submitting the application.<sup>2</sup>

Credit unions with questions about the low-income designation may contact the NCUA's Office of Credit Union Resources and Expansion at [dcamail@ncua.gov](mailto:dcamail@ncua.gov). Questions about the MDI designation or the NCUA's [MDI Preservation Program](#) should be sent to [curemdi@ncua.gov](mailto:curemdi@ncua.gov).

### Step 2: System for Award Management

---

A credit union applying for a CDRLF grant must have an active account with the System for Award Management (SAM), a web-based, government-wide system that collects, validates, stores, and disseminates business information about the federal government's trading partners in support of the contract awards, grants, and electronic payment processes. An active SAM account status and [unique entity identifier number](#) (UEI) are required to apply for a CDRLF grant. Credit unions receive a UEI upon registration.

Credit unions with an existing SAM registration must recertify and maintain an active status annually. SAM users can register or recertify their account by following the [instructions for registration](#).

Credit unions must authorize their entity's non-sensitive information to be displayed in SAM public search results. The NCUA will be unable to verify their account without

---

<sup>2</sup> See § 701.34 and § 741.204.



this authorization.

There is no charge for the SAM registration and recertification process.

## Structure of Pilot Awards

---

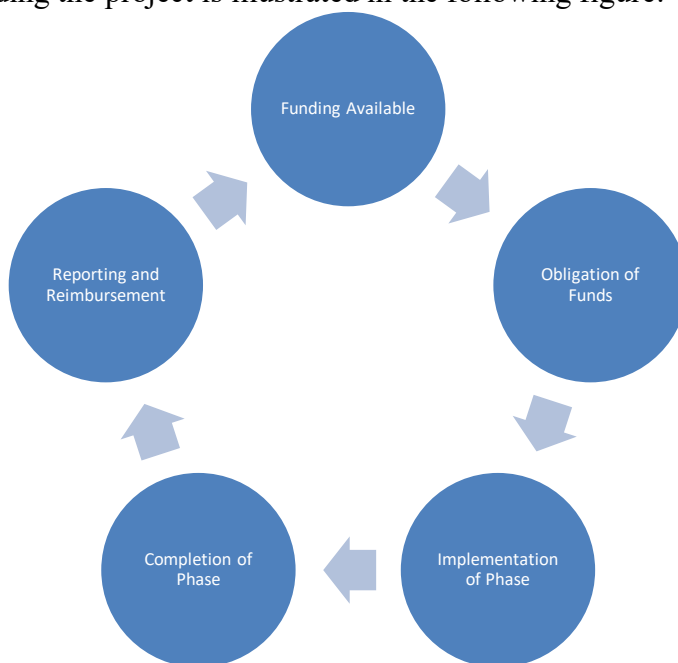
The **maximum award amount is \$300,000 for the Impact Through Innovation initiative and \$150,000 for the Small Credit Union Partnership initiative.**

Upon approval of the application, the NCUA will provide awardees with funding to support the first phase of the project, up to the following amounts:

- Impact Through Innovation - \$100,000
- Small Credit Union Partnership - \$50,000

The awardee will have 12 months to complete the first phase of the project. Upon the success of the first phase of the project and pending the availability of congressional appropriations, the NCUA will provide funds to support the second phase of the project. This process repeats for the third and final phase of the project. **Funding for the second and third phases of the project is not guaranteed.**

The cycle of funding the project is illustrated in the following figure:



See [Post-Award Requirements](#) for more information.



## Pilot Initiatives

---

### Impact Through Innovation

---

#### Overview

The Impact Through Innovation initiative will encourage credit unions to develop new ways to address challenges affecting underserved communities. Credit unions are positioned to understand and address the unique challenges experienced by minority, underserved, and unbanked populations.

Credit unions may apply for funding under **one** of the following focus areas:

- **Banking Deserts** – Banking deserts are areas in which all census tracts do not have bank or credit union branches and neighboring census tracts also have no bank or credit union branches. Banking deserts are more commonly found in rural areas than urban areas. This focus area requires credit unions to reach into areas lacking financial services and meet the challenges faced by the population of these areas.
- **Affordable Housing** – There is a nationwide shortage of housing affordable to low- and moderate-income individuals and families. Credit unions can address this problem by delivering innovative programs that provide low-income communities access to affordable housing. This may include financial products (loans, assistance), financial education, or the financing or development of new affordable housing projects.
- **Reaching Credit Invisibles** – Credit invisibles are consumers whose documented credit history is so limited they do not have credit scores or whose credit scores are not based on a complete history of their debt repayment. Credit invisible consumers are more likely to be unbanked, having no affiliation with a financial institution. Applicants must demonstrate they can reach credit invisibles and provide access to financial products and services.
- **Partnering with Fintechs** – Credit unions can expand products and services by partnering with fintechs, financial technology companies that develop innovative technological solutions in areas such as digital payments and big data. Fintechs can provide cutting-edge solutions that help enhance the overall member experience through the personalized and digital-first experience credit union members expect. Applicants must demonstrate that partnering with a fintech company will grow the credit union and increase underserved communities' access to financial products and services.





## Initiative Eligibility

In addition to the General Eligibility and Administrative Requirements stated previously, applicants must have more than \$250 million in assets; a CAMELS Composite Rating of 1, 2, or 3; and a CAMELS Management Component Rating of 1 or 2.

## Required Application Information and Materials

Applicants must provide the following information, and the NCUA may request additional information and materials:

- **Request Amount** – State the amount your credit union is requesting for the entire project. The credit union must submit a budget to support the requested award amount.
  - This is the total combined award amount over the three-year performance period.
  - As already described, the NCUA will only obligate the amount allocated to the first phase of the project in the project budget, not to exceed \$100,000.
- **Project Title** – Provide a title for the proposed project (limit of 100 characters).
- **Focus Area** – Select the focus area for your project.
- **Estimated Project Start and End Dates** – Enter the dates in which the project will take place.
- **Program Objective** – The project must meet the CDRLF program’s objective to address the challenges faced by credit union members and to stimulate economic activities in their communities, specifically in the chosen focus area. The applicant should:
  - Describe the economic challenges faced by those affected by the chosen focus area, such as banking deserts, affordable housing, or similar problems.
  - Explain how your project meets the needs of the underserved population defined in your narrative. Discuss how the credit union is qualified to address these challenges. Provide data to support your case.
  - Explain how innovative methods will be used to meet the needs described previously and how the credit union, through this project, will



make an impact where other methods have failed.

- **Project Implementation** – Describe the activities the credit union will undertake during each 12-month performance period. Explain how the success of each phase will be determined, including possible deliverables, and the impact on the underserved populations targeted. The applicant should:
  - Describe the activities involved in the implementation of the project during each phase. Each phase is independent and should have a clear outcome. This ensures success can be achieved in the absence of future funding (see Risk Mitigation Strategy).
  - Demonstrate how each successive phase builds on the one preceding it.
  - Identify and discuss any deliverables the credit union will produce.
- **Risk Mitigation Strategy** – Describe the risks involved in undertaking the project and how those risks will be mitigated. The applicant should:
  - Identify the challenges and obstacles that may interfere in the successful completion of the project. Respond to these challenges and describe the strategies to ensure the project goals are accomplished.
  - Describe any other funding sources available to complete the second and third phases of the project. As a continuation grant, the NCUA cannot guarantee future funding will be available beyond the first phase of the project.
- **Impact and Outcome** – Explain the credit union’s ability to identify, understand, and describe how the project will affect the underserved population and improve their economic opportunities. The applicant should:
  - Describe how the project metrics selected in the Project Impact support the successful outcome of the project. Detail what the expected outcomes are for the end of each project phase.
  - Describe how the applicant will measure success at the end of each phase. The project’s impact should be both qualitative and quantitative. Support all project outcomes with the performance metrics provided in the Project Impact section.
  - Explain how other credit unions facing similar challenges or circumstances can replicate the project.
- **Project Impact** – Identify at least two metrics to measure the success of the



project. For each metric, enter the target level anticipated by the end of the project. See the [Performance Measurement section](#) for more information. Be realistic. The NCUA will use your metrics to measure your project completion and success. Failure to meet these goals at the completion of the project will require explanation.

- **Project Budget** – Identify the planned uses of grant funds and outline them in a project budget. See the CDRLF Grant Project Budget Example.
- **Additional Supplemental Documentation (Optional)** – Credit unions can submit additional documents, such as quotes from vendors, to support the project but may not use this space to upload additional narrative.

## Small Credit Union Partnership

---

### Overview

The Small Credit Union Partnership initiative will encourage small credit unions to band together to leverage resources and build their capacity to serve underserved communities.

Many small credit unions do not have the resources to implement new products or modernize. These credit unions struggle to serve their memberships. This initiative will allow a group of small credit unions to apply under one project with one credit union serving as the leader and awardee. This will allow the participating credit unions to leverage their resources to meet common goals.

### Initiative Eligibility

The lead credit union must meet the General Eligibility and Administrative Requirements stated above. All credit unions participating in the partnership must have either a low-income or MDI designation, have less than \$100 million in assets, and a CAMELS Composite Rating of 1, 2, or 3.

### Required Application Information and Materials

Applicants must provide the following information, and the NCUA may request additional information and materials, as necessary.

- **Request Amount** – State the total amount your credit union is requesting for the initiative. The credit union must submit a budget to support the requested award amount.
- **Project Title** – Provide a title for the proposed project (limit of 100 characters).



- **Partner Credit Union Information** – Provide the name, charter number, location, and contact information for all participating credit unions.
- **Estimated Project Start and End Dates** – Enter the dates in which the project will take place.
- **Program Objective** – The project must meet the CDRLF’s objective to help small low-income-designated or MDI-certified credit unions increase their capability to provide affordable financial services to their members by working together to achieve common goals. The applicant should include:
  - A description of the similarities of the credit unions participating in the partnership. Highlight similar challenges and similar goals.
  - Detailed outline demonstrating how the credit unions will work together to address these challenges.
- **Project Implementation** – Describe the activities the credit union will undertake during each 12-month performance period. Explain how the applicant will determine the success of each phase, including possible deliverables, and the impact on the underserved populations targeted. The applicant should do the following:
  - Describe the activities involved in the implementation of the project during each phase. Each phase is independent and should have a clear outcome. This ensures the success can be achieved in the absence of future funding (see Risk Mitigation Strategy).
  - Demonstrate how each successive phase builds on the one preceding it.
  - Identify and discuss any deliverables that will be produced.
- **Risk Mitigation Strategy** – Describe the risks involved in undertaking the project and how those risks will be mitigated. The applicant should do the following:
  - Identifying the challenges and obstacles that may interfere in the successful completion of the project. Respond to these challenges and describe the strategies that will be undertaken to ensure the project goals are accomplished.
  - A description of any other funding sources available to complete the second and third phases of the project. As a continuation grant, the NCUA cannot guarantee future funding will be available beyond the first phase of the project.



- **Impact and Outcome** – Explain the credit union’s ability to identify, understand, and describe how the project will affect the underserved population and improve their economic opportunities. The applicant should do the following:
  - Describe how the project metrics selected in the Project Impact support the successful outcome of the project. Detail what the expected outcomes are for the end of each project phase.
  - Describe how the applicant will measure success at the end of each phase. The project’s impact should be both qualitative and quantitative. Support all project outcomes with the performance metrics provided in the Project Impact section.
  - Explain how other credit unions facing similar challenges or circumstances can replicate the project.
- **Project Impact** – Identify at least two metrics to measure the success of the project. For each metric, enter the target level anticipated by the end of the project. See the [Performance Measurement section](#) for more information. Be realistic. The NCUA will use your metrics to measure your project completion and success. Failure to meet these goals at the completion of the project will require explanation.
- **Project Budget** – Identify the planned uses of grant funds and outline them in a project budget. See the [CDRLF Grant Project Budget Example](#).
- **Additional Supplemental Documentation (Optional)** – Credit unions can submit additional documents, such as quotes from vendors, to support the project but may not use this space to upload additional narrative.

## Performance Measurement

---

Applicants must select at least two of the performance metrics from the following list to measure the success of their project. The application must include a projection for the end of the first performance period, October 31, 2024. If the grant is approved, the credit union will be asked to enter a benchmark of the metric as of the time of application approval.

- **Asset Growth** – The increase in the dollar amount of the credit union’s assets because of the project.
- **Loan Growth** – A percentage increase in the number or dollar amount of loans



in the credit union's portfolio because of the project.

- **Members Served** – The number of members served by the new or expanded product or service because of the project.
- **Membership Growth** – The increase in the number of members because of the project.
- **Create Metric** – If the metrics provided are not applicable to the project, a custom metric can be created. This metric must be quantitatively measured and reported on.

While some project activities can be directly linked to a performance goal, other activities may achieve these goals indirectly. Applicants must explain how the grant will help the credit union meet the selected metrics and accomplish the greater goals of the project. See the narrative requirements for the initiative selected.

Be realistic in determining your performance metrics and goals, as they should be attainable by the end of the performance period.

## CDRLF Grant Project Budget Example

---

The Project Budget specifies the resources required to carry out the proposed project. Project activities must drive the budget, and the project narrative must be reflected in the budget. The Project Budget should be clear, well-organized, and easy to understand.

The budget narrative is the justification of how and why a line item helps to meet the project goals. Credit unions should explain the details and show the calculations used to arrive at the numbers; quotes and proposals from vendors are also acceptable. The budget narrative should validate all expenses as reasonable and appropriate for the project.

The goal of the budget narrative is to help the NCUA understand the scope of the credit union's project. The budget narrative should address the largest categories of expense and revenue in the project budget.

The total estimated project cost includes all costs associated with the project. This may exceed the award amount and include costs that are covered by the credit union.

The portion covered by the CDRLF grant is the portion of the total estimated project costs that will be covered by the award funds. This may cover all estimated project costs but cannot exceed the request amount.



Be realistic. Significant over- or underestimating suggests the credit union may not understand the scope of the project.

The following is an example for a project budget under the Impact Through Innovation initiative. This example is purposely generic. The credit union should choose to elaborate accordingly.

Phase	Budget Narrative	Total Estimated Project Cost	Portion Covered by CDRLF Grant
1	Expenses to establish new products.	\$80,000	\$80,000
1	Marketing New Products	\$25,000	\$20,000
2	Expansion of new services	\$70,000	\$70,000
2	Expanded Marketing of Product	\$30,000	\$30,000
3	Expansion of established services.	\$125,000	\$100,000
<b>Project Total</b>		<b>\$330,000</b>	<b>\$300,000</b>

The Project Budget will be used to determine the final award amount. Any ineligible expenses will result in a reduction from the requested amount. The NCUA has the right to reject an application in which ineligible activities make up a significant part of the expenses covered by the CDRLF grant.

## General Expense Guidelines

All credit unions must adhere to the cost principles in [2 C.F.R. part 200 subpart E](#), including the following general expense guidelines, unless told otherwise by the NCUA in writing.





Expenses eligible for reimbursement must be incurred after April 1, 2023, and before the grant commitment expires unless the NCUA, in writing, notifies the credit union otherwise.

These guidelines apply to all grant initiatives:

- All expenses must be directly related to the specific approved grant initiative. Changes to an initiative will not be allowed, and any expenses not related to the approved initiative will be denied.
- If a credit union is unsure about the eligible expenses associated with the project, seek clarification from the NCUA in writing prior to incurring the expenses. This helps avoid issues at the time of a payment request submission. Inquiries can be submitted by email to [CUREAPPS@ncua.gov](mailto:CUREAPPS@ncua.gov).
- The credit union must provide evidence that the proposed project was successfully completed in order to receive reimbursement. This may include invoices, certifications, or other documents. Additional post-award guidance will be provided to awardees.
- The NCUA will only pay for expenses up to the total grant limit for the initiative.
- Applicants are reminded to perform a due diligence review prior to entering into any arrangement with a third party. The [NCUA Letter to Credit Unions 01-CU-20 regarding “Due Diligence Over Third Party Service Providers”](#) provides guidance to credit unions. Third-party vendor agreements submitted must include the services or products provided and the associated costs. Contractor fees that are not substantiated in writing in a partnership/contractor’s agreement will not be reimbursed.
- Invoices from outside parties must be billed to and paid by the credit union. Expenses paid by credit union officials and/or personnel will not be reimbursed by the NCUA.
- Reimbursements will be made to the awardee credit union only. Payments to credit union officials and personnel will not be made.

## **Expenses Not Allowed**

---

The following expenses are not allocable and will not be paid by the NCUA.

- Expenses that create conflicts of interest:
  - Employees and board members may not receive compensation from





- hired consultants, partners, or vendors.
- Contracts, agreements, or internships given to credit union employees and board members or their relatives are prohibited.
- The following miscellaneous operational expenses are not allocable uses of grant funds:
  - Indirect costs.
  - Custodial services.
  - Food, alcohol, and refreshments.
  - Matching Funds, such as the matching portion of an Individual Development Account program.
  - Monthly and annual maintenance costs for technical support.
  - Insurance costs.
  - Promotional items, such as gifts, giveaways, souvenirs, and gift cards.
  - Recurring operational expenses, such as rent, utilities, annual financial audits, depreciation, funding for the allowance for loan losses, and office supplies.
- The following non-operational expenses are not allocable uses of grant funds:
  - NCUA or other government agency employee expenses.
  - Projects/contracts based on covered relationships with NCUA employee(s).

## Application Review Process

---

Applications are reviewed to ensure all eligibility requirements are met and scored to determine whether a project should be approved. Eligible applicants can receive a total of 100 points based on analysis described in the following steps. Award determinations are made based on eligibility, total application score, and the amount funding available.

Please read carefully as eligibility and scoring requirements are subject to change from previous CDRLF grant rounds.



Applicants will have the opportunity to contact the NCUA to discuss the final status of their application once award decisions have been made.

## Step 1: Program Eligibility

The NCUA will review each application to ensure that the General Eligibility and Administrative Requirements are met. In addition, the following CAMELS rating and asset requirements apply:

Initiative	CAMELS Requirement	Asset Requirement
Impact Through Innovation	Composite Rating of 1, 2, or 3. Management Rating of 1 or 2.	More than \$250 million in assets.
Small Credit Union Partnership	Composite Rating of 1, 2, or 3.	Less than \$100 million in assets.

Applicants that do not meet the eligibility requirements will not proceed to Step 2.

## Step 2: Project Objective, Budget, and Compliance Review

The application narratives, budget request, performance metrics, and any supplemental information will be evaluated to determine how well the project will meet the program objectives of the selected initiative.

### Project Objective Score

The application will receive a score based on how well each of the following topics are addressed in the narrative, budget, and any supplemental documentation provided.

	Description	Score
CDRLF Program Objective	The project, as described in the narrative, meets the objectives of the pilot initiative for which the credit union has applied.	1–10



Max. 30 points	<p>The applicant's narrative describes the needs of the credit union and underserved population and describes how these needs will be addressed by the proposed project.</p> <p>The application includes statistics and/or supplemental documentation demonstrating the needs of the credit union and underserved population.</p>	1–10
	<p>The applicant explains how innovative methods will be used to meet the needs described.</p> <p>Explain why this project will make an impact where other methods have failed.</p>	1–10
Project Implementation Max. 15 points	<p>The narrative contains a plan to implement the project in three independent phases. Subsequent phases should build upon the success of the previous phase.</p>	1–10
	<p>The applicant describes how success will be measured at the completion of each phase.</p>	1–5
Risk Mitigation Strategy Max. 20 points	<p>The applicant understands the challenges and obstacles that may interfere with the successful completion of the project.</p>	1–10
	<p>The applicant provides a clear plan to mitigate the risks identified.</p>	1–5
	<p>The applicant identifies other resources available to complete the second and third phases of the project in the absence of CDRLF funds.</p>	1–5
Impact and Outcomes	<p>The applicant proposes metrics which can determine the successful outcome of the project.</p>	1–10



Max. 20 points	Metrics are both quantitative and qualitative and demonstrate the impact the project has had on the credit union and underserved populations.	
	The credit union describes products or deliverables created because of the project and how these items will benefit the credit union and underserved populations.	1–5
	The applicant describes how this project can be replicated by other credit unions facing similar challenges.	1–5

## Budget Score

The NCUA will score the project budget based on how the proposed use of funds supports the project activities. The NCUA may also reduce the award amount based on ineligible expenses listed in the application.

Determination	Description	Score
Project Objective Max. 5 points	The applicant understands the expenses required to successfully complete the project.	1–5
Implementation Plan Max. 5 points	The project budget supports the applicant’s plan to implement the project.	1–5
Allowable Costs Max. 5 points	The expenses included in the budget are eligible per the expense guidelines in this document and 2 CFR 200.  Note: The NCUA will reduce the award amount if any budget items are not allowable for the	1–5



	subject grant initiative. If the amount of ineligible expenses exceeds 25 percent of the amount requested, the application will be denied.	
--	--	--

## Compliance Score

The NCUA will assess each credit union's past adherence to reporting requirements and guidelines for previous CDRLF awards. In addition, the NCUA may assess a credit union's examinations or audit reports if a reviewer deems it necessary, which may affect an applicant's score. Points may be deducted from the Project Objective score based on past CDRLF program performance.

Severity	Description	Score
No compliance issues on previous awards.	The applicant has no compliance issues with previous CDRLF grant and loan awards.	0
Open Award	The applicant has a current CDRLF award (excluding Urgent Need grants or CDRLF loans) for which the performance period has not concluded, and the project is not complete.	-5
Minor Compliance Issue	The current application includes project activities for which the applicant had previously received funding, such as overdue reports or failure to meet performance objectives on previous awards.	-20
Major Compliance Issues	<p>The applicant has a history of unresponsiveness to the requests of CDRLF staff.</p> <p>The applicant is behind in CDRLF loan repayments.</p> <p>A previous award was terminated for noncompliance with the terms and conditions of the award.</p> <p>The applicant has two or more Minor Compliance Issues with previous CDRLF grants or loans.</p>	A major compliance issue will eliminate an applicant from eligibility to receive an award.



All applications that have not been eliminated due to major compliance issues or failure to meet the project objective will proceed to Step 3.

## Step 3: Application Ranking Order

---

The NCUA will combine the applicant's Program Priority, Project Objective, Budget, and Compliance scores. Applications are sorted by initiative and ranked in descending order based on each applicant's total score. In the case of a tie, asset size will serve as the tiebreaker, with the credit union with smallest assets ranking higher. All applications will advance to Step 4.

## Step 4: Grant Amount Determination

---

The NCUA will determine the grant amount for each application based on various factors such as the specific project, amount requested, project budget, and funding availability. The agency will distribute funds to applications based on the final ranking until the allocation for each initiative is exhausted.

## Terms and Conditions

---

Every applicant must certify it meets and agrees to the following terms and conditions, prior to submitting an application:

- Applicant is a low-income-designated credit union, as defined in Section 701.34 of the NCUA's Rules and Regulations and/or a designated Minority Depository Institution credit union.
- Applicant shall comply with United States Office of Management and Budget, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
- Applicants are required to have an audit conducted if they hold \$750,000 or more in Federal awards during a fiscal year. Applicants that hold less than \$750,000 in Federal awards are exempt from this requirement.
  - For example, if a credit union uses a \$250,000 loan from the NCUA's CDRLF and a \$500,000 grant from the Community Development Financial Institutions (CDFI) Fund, totaling \$750,000 in Federal awards during the same fiscal year, then the credit union must have an audit conducted.
- Applicant is responsible for the efficient and effective administration of the Federal Award through application of sound management practices. Applicant



assumes the responsibility for administering Federal Funds in a manner consistent with underlying agreements, program objectives, and the term and conditions of the Federal Award.

- No employee, contractor, consultant, or vendor has participated substantially for this grant-funded activity, nor otherwise benefited directly or indirectly from the grant, who, to its knowledge (assuming reasonable diligence), has a “covered relationship” with an NCUA employee who presently holds a position that would enable him or her to influence a pending or future grant award, or a payment of permitted expenses thereunder.
- An employee, contractor, consultant, or vendor of the Applicant would have such a “covered relationship” if he or she were either: (1) a member of the household of an NCUA employee who presently holds a position that would enable him or her to influence a pending or future grant award, or a payment thereunder; or (2) a relative of such an NCUA employee with whom he or she has a close personal relationship. 5 C.F.R. 2635.502(b)(1)(ii).
- Applicant must disclose in writing to the NCUA any potential conflict of interest in accordance with applicable Federal awarding agency policy.
- Per 2 C.F.R 200.113, Applicant must disclose all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the award.
- The Applicant conducts its activities such that no person is excluded from participation in, is denied the benefits of, or is subject to discrimination on the basis of race, color, national origin, sex (including pregnancy, sexual orientation, or gender identity), age, or disability in the distribution of services and/or benefits provided under this grant program. The credit union agrees to provide evidence of its compliance as required by the NCUA. Furthermore, credit unions should ensure compliance with Title VI of the Civil Rights Act of 1964.
- If a credit union enters into commitments for a project before the grant decision is made, the credit union will be obligated to pay project expenses from its own funds should the grant not be approved; if the grant is approved, the credit union may request payment for expenses incurred as of the publication date of the notice of funding opportunity associated with this funding round.
- Requests to reallocate or change approved project(s) and/or request an extension to the deadline must be submitted in writing prior to the original deadline and approved by the NCUA prior to Applicant incurring expenses.



- The Applicant is aware that the NCUA will correspond with the credit union regarding this application by email, utilizing the email address provided in this application.
- Applicant hereby acknowledges that the NCUA reserves full discretion to deny payment under this grant in the event the NCUA determines the Applicant is, or previously was, either in breach of any condition or limitation in the grant guidelines or in breach of the ‘covered relationship’ restriction set forth above.
- Information included in Outcome Summary or Success Stories is considered by the NCUA to be Research Data and is governed by 2 C.F.R. 200.315 and may be made publicly available.
- Applicant is aware that any false, fictitious, or fraudulent information or the omission of any material fact may subject Applicant to criminal, civil, or administrative penalties for fraud, false statements, false claims, or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729–3730, and 3801–3812).
- The Applicant is aware recipients and subrecipients are prohibited from obligating or expending loan or grant funds to procure or obtain equipment, services, or systems that use covered telecommunications equipment or services as a substantial or essential component of any system or as critical technology as part of any system in accordance with Public Law 115-232, section 889 and 2 C.F.R. 200.216.
- Applicants receiving payment in advance must maintain both written procedures that minimize the time elapsing between the transfer of funds and disbursement by the non-Federal entity, and financial management systems that meet the standards for fund control and accountability.

## Regulatory Requirements

---

Credit unions are agreeing to follow the Office of Management and Budget’s Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 C.F.R. part 200. The CDRLF has been updated to comply with the recent revisions to this regulation. These updates are reflected in program documents, such as the Notice of Funding Opportunity, application guideline, and post-award guideline. For more information, contact us at [CUREAPPS@ncua.gov](mailto:CUREAPPS@ncua.gov). The Uniform Administrative Requirements can be found in their entirety in the [Electronic Code of Federal Regulations](#).





## Post-Award Requirements

---

All credit union awardees are responsible for the timely and complete submission of the post-grant award activities. Post-Award requirements are described below. Awardees will receive post-award guidelines with greater detail of the post-award process.

### Grant Agreement

---

The Grant Agreement includes important award information, such as the award amount, performance period dates, and the approved project budget.

At the time of award, you will be required to provide the current status for each performance metric chosen in the application as a benchmark. These metrics will be tracked through subsequent reporting requirements.

The credit union accepts the terms of the award and formally accepts the CDRLF grant. Failure to do so may result in the grant being withdrawn from the credit union.

### Payment and Performance Report

---

Each payment request requires credit unions to provide an outcome summary, a report on performance metrics, evidence of the successful completion of the project, and certification the grant funds were used accordingly.

Generally, credit unions must use their own funds for the approved project according to the terms and conditions of the grant agreement, then request a reimbursement for the eligible expenses incurred upon the conclusion of the project. For awards of \$15,000 and greater, credit unions may request partial reimbursements throughout the performance period, though no more frequently than quarterly.

Credit unions with assets below \$25 million may request payment in advance of incurring project costs. Advances will not exceed 25 percent of the award amount at any given time. Awardees must expend advanced funds within 90 days of receipt.

The specific requirements for each initiative may be subject to change but will be outlined in the post-award guidance provided by the NCUA to grant awardees.

### Subsequent Obligations

---

Upon satisfactory completion of the first phase of the pilot project, and the availability of congressionally appropriated funds, the NCUA will announce the availability of funding to the awardee for the second phase of the project. The awardee must submit a request for subsequent fund obligation, but the credit union will not have to compete for these funds.



If the first phase of the project is not successfully completed, or if funds are not appropriated by Congress in the 2024 fiscal year, the awardee will not receive NCUA funds for the costs associated with the second or third phase of the project.

## Extension Request

---

Credit unions may request an extension to the performance period end date if they need additional time to complete the project. The request must include the progress to date and justify the need for additional time. Grant extensions must be submitted no less than 10 days prior to the current grant expiration date. Performance periods will not be extended 18 months beyond the original grant expiration date.

## Helpful Resources

---

The NCUA's Office of Credit Union Resources and Expansion (CURE) has a variety of other services and resources available for credit unions. We offer a customer service approach to credit unions seeking regulatory and resource assistance in their development and expansion efforts. Services and resources CURE offers include:

- [Grants and low-interest loans](#) for eligible credit unions.
- A [Learning Management Service](#) that delivers online training for credit unions at no cost.
- A program to preserve and grow [minority depository institutions](#).

For more information, refer to our [website](#).

## Contact Information

---

If you need to contact the NCUA regarding the CDRLF program, send your request by e-mail to [CUREAPPS@ncua.gov](mailto:CUREAPPS@ncua.gov). Please allow up to 72 hours for a response. Below is the contact information for other service areas.

- Chartering: [NewFCU@ncua.gov](mailto:NewFCU@ncua.gov)
- Field of Membership Expansion: [DCAMail@ncua.gov](mailto:DCAMail@ncua.gov)
- Learning: [CURELMS@ncua.gov](mailto:CURELMS@ncua.gov)
- Minority Depository Institution Preservation: [CUREMDI@ncua.gov](mailto:CUREMDI@ncua.gov)



- For all other inquiries: [CUREMail@ncua.gov](mailto:CUREMail@ncua.gov)
- Contact us by Phone: (703)-518-6610